

Opening Statement of the  
Honorable Maxine Waters, D-35<sup>th</sup> CA

**Committee on Financial Services**

*Hearing on “Legislative Options for Preserving Federally- and State-Assisted Affordable Housing and Preventing Displacement of Low-Income, Elderly and Disabled Tenants”*

Thursday, June 25, 2009  
2128 Rayburn House Office Building  
10 a.m.

Thank you, Mr. Chairman.

Today more than ever before, affordable housing preservation is critically important to our nation’s low-income families. Through the foreclosure crisis, we have seen just how important our affordable housing inventory can be—to renters who find themselves threatened with eviction as a result of foreclosure and to homeowners who have lost their homes and now need an affordable place to live while they repair their credit.

But foreclosures aren’t the only reason why affordable housing preservation is important. Under the Bush Administration, HUD simply wasn’t in the business of preserving affordable housing. As a result, affordable housing incentive programs— like Section 236 and Section 221(d)(3)—are essentially a thing of the past. These developments still exist, but the clock is ticking on their contracts. And unless we act soon, the owners of these units will convert them to market rate, robbing the communities that rely on these units from a valuable affordable housing resource.

From 1995 to 2003, our nation lost 300,000 subsidized affordable apartments through conversion to market-rate housing or physical deterioration. And over the next five years, contracts on more than 900,000 Section 8 units will expire. Once these units leave the affordable housing stock, they are not replaced. That is why we must fight to preserve each and every unit.

In 2007, we saw first hand the potential impact the loss of an affordable housing development can have on a community. At the request of Rep. Towns of Brooklyn, New York, I held a field hearing at Starrett City, the nation’s largest affordable housing development, which was on the verge of being purchased by a developer with a questionable housing management past and an even more questionable plan for keeping the development affordable.

At that hearing our current HUD Secretary—then head of the New York City Housing and Preservation Department—testified about the importance of preserving Starrett City and following that hearing I know that he worked with the tenants and the state to broker a deal to keep the project affordable over the long term. That kind of dedication to affordable housing is refreshing and I know that the Secretary is bringing that same dedication with him as he charges HUD to make preservation a priority.

Although the preservation of Starrett City was a great victory, it is just one development. There are thousands of other properties that may not be as large but are equally at risk of permanently falling out the nation's affordable housing inventory. When owners opt out of these programs, residents pay the price.

I look forward to hearing from our witness on the legislation before us today. Thank you, Mr. Chairman. I yield back the balance of my time.